GOVERNMENT OF INDIA
MICRO, SMALL AND MEDIUM ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:2940
ANSWERED ON:18.08.2011
PROMOTION OF MSME
Dashmunsi Deepa

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) the details of schemes for setting up and promoting micro, cottage and village industry in rural and semi-urban areas during each of the last three years and current year;

(b) the targets fixed and achievements made during the above period, State and Union Territory-wise; and

(c) the details of funds/subsidy provided for the same during the above period?

Answer

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI VIRBHADRA SINGH)

(a) & (b) Setting up of cottage and village industries is the responsibility mainly of the State Governments. However, the Government in the Ministry of Micro, Small and Medium Enterprises has been promoting the setting up of new micro enterprises in non-farm sector by implementing Prime Minister's Employment Generation Programme (PMEGP), a credit-linked subsidy programme since 2008-09 through Khadi and Village Industries Commission (KVIC) a statutory body under the administrative control of the Ministry. PMEGP is particularly aimed at generating self-employment opportunities through establishment of micro enterprises including cottage and village industries by organizing traditional artisans and unemployed youth, helping in preventing their migration besides increasing their earning capacity. At the State/Union Territories level, the scheme is implemented through field offices of KVIC, State/Union Territory Khadi and Village Industries Boards (KVIBs) and District Industries Centres (DICs) with involvement of Banks. Under this Programme, beneficiaries can establish micro enterprises including cottage and village industries units by availing margin money subsidy of 25 percent of project cost for units in rural areas to be set up by beneficiaries belonging to general category which will be 35 percent for beneficiaries belonging to special categories such as scheduled caste/scheduled tribe /women and others through the implementing agencies and loans from Banks, etc., for projects costing up to Rs.25 lakh each in the manufacturing sector and upto Rs.10 lakh each in the service sector. In urban areas, the quantum of margin money subsidy is 15% and 25% for beneficiaries belonging to general and special categories respectively. Targets under PMEGP is decided in terms of quantum of margin money subsidy released to KVIC. Number of projects assisted is a figure derived on the basis of the average amount of margin money actually utilized per project. The targets and achievements for setting up micro enterprises including cottage and village industry under PMEGP during the last three years and the current year are given at Annex I.

(c) Margin money subsidy to the tune of ` 2727.91 crore has been released to KVIC under PMEGP during last three years and the current year (upto 10 August 2011).